

***In the House of Representatives, U. S.,***

*September 21, 1994.*

*Resolved*, That the bill from the Senate (S. 2060) entitled “An Act to amend the Small Business Act and the Small Business Act of 1958, and for other purposes”, do pass with the following

**AMENDMENTS:**

Strike out all after the enacting clause and insert:

1 *That this Act may be cited as the “Small Business Reau-*  
2 *thorization and Amendment Act of 1994”.*

3 ***TITLE I—AUTHORIZATIONS***

4 ***SEC. 101. AUTHORIZATIONS.***

5 *Section 20 of the Small Business Act (15 U.S.C. 631*  
6 *note) is amended by striking all of such section after sub-*  
7 *section (k), as added by section 115(a) of the Small Busi-*  
8 *ness Credit and Business Opportunity Enhancement Act of*  
9 *1992, and by inserting in lieu thereof the following:*

10 *“(l) The following program levels are authorized for*  
11 *fiscal year 1995:*

12 *“(1) For the programs authorized by this Act,*  
13 *the Administration is authorized to make*  
14 *\$142,000,000 in direct and immediate participation*  
15 *loans; and of such sum, the Administration is author-*  
16 *ized to make \$12,000,000 in loans as provided in sec-*

1        *tion 7(a)(10) and \$130,000,000 in loans as provided*  
2        *in section 7(m).*

3            *“(2) For the programs authorized by this Act,*  
4        *the Administration is authorized to make*  
5        *\$11,535,000,000 in deferred participation loans and*  
6        *other financings. Of such sum, the Administration is*  
7        *authorized to make—*

8            *“(A) \$9,315,000,000 in general business*  
9        *loans as provided in section 7(a);*

10           *“(B) \$2,200,000,000 in financings as pro-*  
11        *vided in section 7(a)(13) and section 504 of the*  
12        *Small Business Investment Act of 1958; and*

13           *“(C) \$20,000,000 in loans as provided in*  
14        *section 7(m).*

15           *“(3) For the programs authorized by title III of*  
16        *the Small Business Investment Act of 1958, the Ad-*  
17        *ministration is authorized to make—*

18           *“(A) \$23,000,000 in purchases of preferred*  
19        *securities;*

20           *“(B) \$244,000,000 in guarantees of deben-*  
21        *tures, of which \$44,000,000 is authorized in*  
22        *guarantees of debentures from companies operat-*  
23        *ing pursuant to section 301(d) of such Act; and*

24           *“(C) \$400,000,000 in guarantees of partici-*  
25        *pating securities.*

1           “(4) For the programs authorized by part B of  
2           title IV of the Small Business Investment Act of 1958,  
3           the Administration is authorized to enter into guar-  
4           antees not to exceed \$1,800,000,000, of which not  
5           more than \$600,000,000 may be in bonds approved  
6           pursuant to the provisions of section 411(a)(3) of such  
7           Act.

8           “(5) For the Service Corps of Retired Executives  
9           program authorized by section 8(b)(1) of this Act, the  
10          Administration is authorized to make grants or enter  
11          cooperative agreements not to exceed \$3,500,000, and  
12          for the small business institute program authorized by  
13          section 8(b)(1) of this Act, the Administration is au-  
14          thorized to make grants or enter cooperative agree-  
15          ments not to exceed \$3,000,000.

16          “(m) There are authorized to be appropriated to the  
17          Administration for fiscal year 1995 such sums as may be  
18          necessary to carry out the provisions of this Act, including  
19          administrative expenses and necessary loan capital for dis-  
20          aster loans pursuant to section 7(b), and to carry out the  
21          provisions of the Small Business Investment Act of 1958,  
22          including salaries and expenses of the Administration.

23          “(n) The following program levels are authorized for  
24          fiscal year 1996:

1           “(1) For the programs authorized by this Act,  
2           the Administration is authorized to make  
3           \$198,000,000 in direct and immediate participation  
4           loans; and of such sum the Administration is author-  
5           ized to make \$13,000,000 in loans as provided in sec-  
6           tion 7(a)(10) and \$185,000,000 in loans as provided  
7           in section 7(m).

8           “(2) For the programs authorized by this Act,  
9           the Administration is authorized to make  
10          \$24,610,000,000 in deferred participation loans and  
11          other financings. Of such sum, the Administration is  
12          authorized to make—

13                 “(A) \$10,935,000,000 in general business  
14                 loans as provided in section 7(a);

15                 “(B) \$2,500,000,000 in financings as pro-  
16                 vided in section 7(a)(13) and section 504 of the  
17                 Small Business Investment Act of 1958; and

18                 “(C) \$80,000,000 in loans as provided in  
19                 section 7(m).

20          “(3) For the programs authorized by title III of  
21          the Small Business Investment Act of 1958, the Ad-  
22          ministration is authorized to make—

23                 “(A) \$24,000,000 in purchases of preferred  
24                 securities;

1           “(B) \$256,000,000 in guarantees of debentures, of which \$46,000,000 is authorized in  
2           guarantees of debentures from companies operating pursuant to section 301(d) of such Act; and

3           “(C) \$650,000,000 in guarantees of participating securities.

4           “(4) For the programs authorized by part B of  
5           title IV of the Small Business Investment Act of 1958,  
6           the Administration is authorized to enter into guarantees not to exceed \$1,800,000,000, of which not  
7           more than \$600,000,000 may be in bonds approved  
8           pursuant to the provisions of section 411(a)(3) of such  
9           Act.

10           “(5) For the Service Corps of Retired Executives  
11           program authorized by section 8(b)(1) of this Act, the  
12           Administration is authorized to make grants or enter cooperative agreements not to exceed \$3,675,000, and  
13           for the small business institute program authorized by  
14           section 8(b)(1) of this Act, the Administration is authorized to make grants or enter cooperative agreements not to exceed \$3,150,000.

15           “(o) There are authorized to be appropriated to the Administration for fiscal year 1996 such sums as may be necessary to carry out the provisions of this Act, including administrative expenses and necessary loan capital for disas-

1 *ter loans pursuant to section 7(b), and to carry out the pro-*  
2 *visions of the Small Business Investment Act of 1958, in-*  
3 *cluding salaries and expenses of the Administration.*

4 “(p) *The following program levels are authorized for*  
5 *fiscal year 1997:*

6 “(1) *For the programs authorized by this Act,*  
7 *the Administration is authorized to make*  
8 *\$264,000,000 in direct and immediate participation*  
9 *loans; and of such sum the Administration is author-*  
10 *ized to make \$14,000,000 in loans as provided in sec-*  
11 *tion 7(a)(10) and \$250,000,000 in loans as provided*  
12 *in section 7(m).*

13 “(2) *For the programs authorized by this Act,*  
14 *the Administration is authorized to make*  
15 *\$17,215,000,000 in deferred participation loans and*  
16 *other financings. Of such sum, the Administration is*  
17 *authorized to make—*

18 “(A) *\$14,175,000,000 in general business*  
19 *loans as provided in section 7(a);*

20 “(B) *\$3,000,000,000 in financings as pro-*  
21 *vided in section 7(a)(13) and section 504 of the*  
22 *Small Business Investment Act of 1958; and*

23 “(C) *\$40,000,000 in loans as provided in*  
24 *section 7(m).*

1           “(3) For the programs authorized by title III of  
2     the Small Business Investment Act of 1958, the Ad-  
3     ministration is authorized to make—

4           “(A) \$25,000,000 in purchases of preferred  
5     securities;

6           “(B) \$268,000,000 in guarantees of deben-  
7     tures, of which \$48,000,000 is authorized in  
8     guarantees of debentures from companies operat-  
9     ing pursuant to section 301(d) of such Act; and

10          “(C) \$900,000,000 in guarantees of partici-  
11     pating securities.

12          “(4) For the programs authorized by part B of  
13     title IV of the Small Business Investment Act of 1958,  
14     the Administration is authorized to enter into guar-  
15     antees not to exceed \$1,800,000,000, of which not  
16     more than \$600,000,000 may be in bonds approved  
17     pursuant to the provisions of section 411(a)(3) of such  
18     Act.

19          “(5) For the Service Corps of Retired Executives  
20     program authorized by section 8(b)(1) of this Act, the  
21     Administration is authorized to make grants or enter  
22     cooperative agreements not to exceed \$3,860,000, and  
23     for the small business institute program authorized by  
24     section 8(b)(1) of this Act, the Administration is au-

1        *thorized to make grants or enter cooperative agree-*  
 2        *ments not to exceed \$3,310,000.*

3        *“(q) There are authorized to be appropriated to the*  
 4        *Administration for fiscal year 1997 such sums as may be*  
 5        *necessary to carry out the provisions of this Act, including*  
 6        *administrative expenses and necessary loan capital for dis-*  
 7        *aster loans pursuant to section 7(b), and to carry out the*  
 8        *provisions of the Small Business Investment Act of 1958,*  
 9        *including salaries and expenses of the Administration.”.*

10                    ***TITLE II—FINANCIAL***  
 11                    ***ASSISTANCE PROGRAMS***

12        ***SEC. 201. MICROLOAN FINANCING PILOT.***

13        *Section 7(m) of the Small Business Act (15 U.S.C.*  
 14        *636(m)) is amended by adding the following new paragraph*  
 15        *at the end:*

16                    *“(12) DEFERRED PARTICIPATION LOAN PILOT.—*  
 17        *During fiscal years 1995 through 1997, on a pilot*  
 18        *basis, in lieu of making direct loans to intermediaries*  
 19        *as authorized in paragraph (1)(B), the Administra-*  
 20        *tion may participate on a deferred basis of up to 100*  
 21        *percent on loans made to intermediaries by a for-*  
 22        *profit or non-profit entity or by alliances of such en-*  
 23        *tities subject to the following conditions:*

24                    *“(A) NUMBER OF LOANS.—The Administra-*  
 25        *tion shall not participate in providing financing*



1        *on a deferred basis to more than ten*  
 2        *intermediaries in urban areas per year and to*  
 3        *more than ten intermediaries in rural areas per*  
 4        *year.*

5                *“(B) TERM OF LOANS.—The term of such*  
 6        *loans shall be ten years. During the first five*  
 7        *years of the loan, the intermediary shall be re-*  
 8        *quired to pay interest only; and during the sec-*  
 9        *ond five years of the loan, the intermediary shall*  
 10       *be required to fully amortize principal and in-*  
 11       *terest payments.*

12               *“(C) INTEREST RATE.—The interest rate on*  
 13       *such loans shall be the rate specified by para-*  
 14       *graph (3)(F) for direct loans.”.*

15    **SEC. 202. MICROLOAN STATE LIMITATION.**

16        *Section 7(m)(7)(C) of the Small Business Act (15*  
 17       *U.S.C. 636(m)(7)(C)) is repealed.*

18    **SEC. 203. LIMIT ON PARTICIPATION.**

19        *Section 7(m)(7)(A) of the Small Business Act (15*  
 20       *U.S.C. 636(m)(7)(A)) is amended to read as follows:*

21               *“(A) NUMBER OF PARTICIPANTS.—During*  
 22       *this demonstration program, the Administration*  
 23       *is authorized to fund, on a competitive basis, not*  
 24       *more than 240 microloan programs.”.*

1 **SEC. 204. EQUITABLE DISTRIBUTION.**

2 *Section 7(m)(8) of the Small Business Act (15 U.S.C.*  
3 *636(m)(8)) is amended to read as follows:*

4 “(8) *EQUITABLE DISTRIBUTION OF*  
5 *INTERMEDIARIES.—In approving microloan program*  
6 *applicants, the Administration shall select participa-*  
7 *tion by such intermediaries as will ensure appro-*  
8 *priate availability of loans to small businesses located*  
9 *in urban areas and in rural areas.”.*

10 **SEC. 205. AMOUNT OF LOANS TO INTERMEDIARIES.**

11 *Section 7(m)(3)(C) of the Small Business Act (15*  
12 *U.S.C. 636(m)(3)(C)) is amended to read as follows:*

13 “(C) *LOAN LIMITS.—In determining the*  
14 *amount of funding which the Administration*  
15 *may provide to one intermediary, it shall take*  
16 *into consideration the small business population*  
17 *in the area served by the intermediary.”.*

18 **SEC. 206. LOANS TO EXPORTERS.**

19 *Section 7(a)(14)(A) of the Small Business Act (15*  
20 *U.S.C. 636(a)(14)(A)) is amended to read as follows:*

21 “(A) *The Administration may provide ex-*  
22 *tensions, standby letters of credit, revolving lines*  
23 *of credit for export purposes, and other financing*  
24 *to enable small business concerns, including*  
25 *small business export trading companies and*  
26 *small business export management companies, to*

1        *develop foreign markets. A bank or participating*  
 2        *lending institution may establish the rate of in-*  
 3        *terest on such financings as may be legal and*  
 4        *reasonable.”.*

5    **SEC. 207. WORKING CAPITAL INTERNATIONAL TRADE**  
 6                    **LOANS.**

7        *Section 7(a)(3)(B) of the Small Business Act (15*  
 8        *U.S.C. 636(a)(3)(B)) is amended to read as follows:*

9                    *“(B) if the total amount outstanding and*  
 10        *committed (on a deferred basis) solely for the*  
 11        *purposes provided in paragraph (16) to the bor-*  
 12        *rower from the business loan and investment*  
 13        *fund established by this Act would exceed*  
 14        *\$1,250,000, of which not more than \$750,000*  
 15        *may be used for working capital, supplies, or*  
 16        *financings under section 7(a)(14) for export pur-*  
 17        *poses; and”.*

18    **SEC. 208. GUARANTEES ON INTERNATIONAL TRADE LOANS.**

19        *Section 7(a)(2)(B)(iv) of the Small Business Act (15*  
 20        *U.S.C. 636(a)(2)(B)(iv)) is amended to read as follows:*

21                    *“(iv) not less than 85 percent nor more*  
 22        *than 90 percent of the financing outstanding at*  
 23        *the time of disbursement if such financing is a*  
 24        *loan under paragraph (14) or under paragraph*  
 25        *(16).”.*

1 **SEC. 209. ACCREDITED LENDERS PROGRAM.**

2       (a) *Title V of the Small Business Investment Act of*  
3 *1958 (15 U.S.C. 695 et seq.) is amended by adding at the*  
4 *end the following new section:*

5 **“SEC. 507. ACCREDITED LENDERS PROGRAM.**

6       “(a) *The Administration is authorized to establish an*  
7 *Accredited Lenders Program for qualified State and local*  
8 *development companies which meet the requirements of sub-*  
9 *section (b).*

10       “(b) *The Administration may designate a qualified*  
11 *State or local development company as an accredited lender*  
12 *if such company—*

13               “(1) *has been an active participant in the devel-*  
14 *opment company program for at least the last 12*  
15 *months;*

16               “(2) *has well-trained, qualified personnel who*  
17 *are knowledgeable in the Administration’s lending*  
18 *policies and procedures for the development company*  
19 *program;*

20               “(3) *has the ability to process, close, and service*  
21 *financing for plant and equipment under section 502*  
22 *of this Act;*

23               “(4) *has a loss rate on its debentures that is ac-*  
24 *ceptable to the Administration;*

1           “(5) has a history of submitting to the Adminis-  
2           tration complete and accurate debenture guaranty ap-  
3           plication packages; and

4           “(6) has demonstrated the ability to serve small  
5           business credit needs for financing plant and equip-  
6           ment as provided in section 502 of this Act.

7           “(c) The Administration shall expedite the processing  
8           of a loan application or servicing action submitted by a  
9           qualified State or local development company that has been  
10          designated as an accredited lender in accordance with sub-  
11          section (b).

12          “(d) The designation of a qualified State or local devel-  
13          opment company as an accredited lender may be suspended  
14          or revoked if the Administration determines that the devel-  
15          opment company has not continued to meet the criteria for  
16          eligibility under subsection (b) or that the development com-  
17          pany has failed to adhere to the Administration’s rules and  
18          regulations or is violating any other applicable provision  
19          of law. Suspension or revocation shall not affect any out-  
20          standing debenture guarantee.

21          “(e) For purposes of this section, the term ‘qualified  
22          State or local development company’ has the same meaning  
23          as in section 503(e).”.

1       (b) The Administration shall promulgate regulations  
2 to carry out this section within 90 days of the date of the  
3 enactment of this Act.

4       (c) The Administration shall report to the Small Busi-  
5 ness Committee of the United States Senate and to the  
6 Small Business Committee of the United States House of  
7 Representatives within one year, and annually thereafter,  
8 on the implementation of this section, specifically including  
9 data on the number of development companies designated  
10 as accredited lenders, their debenture guarantee volume,  
11 their loss rates, and the average processing time on their  
12 guarantee applications, along with such other information  
13 as the Administration deems appropriate.

14 **SEC. 210. PREMIER LENDERS PROGRAM.**

15       (a) Title V of the Small Business Investment Act of  
16 1958 (15 U.S.C. 695 et seq.) is further amended by adding  
17 at the end the following new section:

18 **“SEC. 508. PREMIER LENDERS PROGRAM.**

19       “(a) The Administration is authorized to establish a  
20 Premier Lenders Program for certified development compa-  
21 nies which meet the requirements of subsection (b).

22       “(b) The Administration may designate a participant  
23 in the accredited lenders program as a premier lender if  
24 such company—

1           “(1) has been an active participant in the ac-  
2           credited lenders program for at least the last 12  
3           months: Provided, That prior to January 1, 1996, the  
4           Administration may waive this provision if the ap-  
5           plicant is qualified to participate in the accredited  
6           lenders program;

7           “(2) has a history of submitting to the Adminis-  
8           tration adequately analyzed debenture guarantee ap-  
9           plication packages; and

10           “(3) agrees to assume and to reimburse the Ad-  
11           ministration for 5 percent of any loss sustained by  
12           the Administration on account of default by the cer-  
13           tified development company in the payment of prin-  
14           cipal or interest on a debenture issued by such com-  
15           pany and guaranteed by the Administration under  
16           this section.

17           “(c) Upon approval of an applicant as a premier lend-  
18           er, the certified development company shall establish a loss  
19           reserve in an amount equal to the anticipated losses to the  
20           certified development company pursuant to subsection  
21           (b)(3) based upon the historic loss rate on debentures issued  
22           by such company, or 3 percent of the aggregate principal  
23           amount of debentures issued by such company and guaran-  
24           teed by the Administration under this section, whichever  
25           is greater. The loss reserve shall be comprised of segregated

1 *assets of the development company which shall be*  
2 *securitized in favor of the Administration or of such un-*  
3 *qualified letters of credit or indemnity agreements from a*  
4 *third party as the Administration deems appropriate.*

5       “(d) Upon designation and qualification of a company  
6 as a premier lender, and subject to such terms and condi-  
7 tions as the Administration may determine, and notwith-  
8 standing the provisions of section 503(b)(6), the Adminis-  
9 tration may permit a premier lender to approve loans to  
10 be funded with the proceeds of and to authorize the guaran-  
11 tee of a debenture issued by such company. The approval  
12 by the premier lender shall be subject to the final approval  
13 as to eligibility of any such guarantee by the Administra-  
14 tion pursuant to subsection 503(a) of this Act, but such  
15 final approval shall not include decisions by the company  
16 involving creditworthiness, loan closing, or compliance with  
17 legal requirements imposed by law or regulation.

18       “(e) The designation of a qualified State or local devel-  
19 opment company as a premier lender may be suspended  
20 or revoked if the Administration determines that the com-  
21 pany—

22               “(1) has not continued to meet the criteria for  
23 eligibility under subsection (b);

24               “(2) has not established or maintained the loss  
25 reserve required under subsection (c); or



1           “(3) is failing to adhere to the Administration’s  
2           rules and regulations or is violating any other appli-  
3           cable provision of law.

4           “(f) Suspension or revocation shall not affect any out-  
5           standing debenture guarantee.”.

6           (b) The Administration shall promulgate such regula-  
7           tions to carry out this section within 180 days of the date  
8           of the enactment of this Act.

9           (c) The Administration shall report to the Small Busi-  
10          ness Committee of the United States Senate and to the  
11          Small Business Committee of the United States House of  
12          Representatives within one year, and annually thereafter,  
13          on the implementation of this section, specifically including  
14          data on the number of development companies designated  
15          as premier lenders, their debenture guarantee volume, and  
16          the loss rate for premier lenders as compared to accredited  
17          and other lenders, along with such other information as the  
18          Administration deems appropriate.

19          (d) Section 508 of the Small Business Investment Act  
20          of 1958 is repealed on October 1, 1999.

21          (e) The table of contents contained in section 101 of  
22          the Small Business Investment Act of 1958 is amended by  
23          adding at the end of the matter relating to title V the follow-  
24          ing:

“Sec. 507. Accredited lenders program.

“Sec. 508. Premier lenders program.”.

1 **SEC. 211. SSBIC ADVISORY COUNCIL.**

2 (a) *COUNCIL ESTABLISHED.*—Not later than 90 days  
 3 after the date of the enactment of this Act, the Adminis-  
 4 trator of the Small Business Administration shall appoint  
 5 an Investment Advisory Council for the Specialized Small  
 6 Business Investment Company Program. The Council shall  
 7 consist of not less than 12 individuals from the private sec-  
 8 tor, including individuals—

9 (1) who have experience in providing venture  
 10 capital to small business, particularly minority small  
 11 business;

12 (2) who are current participants in the Special-  
 13 ized Small Business Investment Company Program;

14 (3) who are former participants in the Special-  
 15 ized Small Business Investment Company Program;  
 16 or

17 (4) who are or who represent small business con-  
 18 cerns.

19 (b) *CHAIRMAN AND STAFF.*—The Administrator shall  
 20 designate one of the members of the Council as chairperson.  
 21 The Investment Division of the Small Business Administra-  
 22 tion shall provide such staff, technical support, and infor-  
 23 mation as shall be deemed appropriate. Council members  
 24 shall be deemed to be an advisory board pursuant to section  
 25 8(b)(13) of the Small Business Act for purposes of reim-  
 26 bursement of expenses.

1       (C) *REPORT.*—Within six months of the date of ap-  
 2       pointment, the Council shall make a written report with  
 3       findings and recommendations on the venture capital needs,  
 4       including debt and equity, of socially or economically dis-  
 5       advantaged small business concerns and any needed Federal  
 6       incentives to assist the private sector to meet such needs.  
 7       The report shall specifically address—

8               (1) the history of the Specialized Small Business  
 9       Investment Company program in providing assist-  
 10      ance to such concerns and the impact of such assist-  
 11      ance on the economy;

12              (2) the appropriateness and ability of the Spe-  
 13      cialized Small Business Investment Company Pro-  
 14      gram to meet these needs;

15              (3) the problems affecting the Specialized Small  
 16      Business Investment Company Program; and

17              (4) the effectiveness of the Specialized Small  
 18      Business Investment Company Program and its ad-  
 19      ministration by the Small Business Administration.

20   **SEC. 212. PARTICIPATING SECURITIES FOR SMALLER SBICS.**

21       Section 303(g) of the Small Business Investment Act  
 22      of 1958 (15 U.S.C. 683(g)) is amended by adding the follow-  
 23      ing new paragraph at the end:

24              “(13) Of the amount of the annual program level  
 25      of participating securities approved in Appropria-

1        *tions Acts, 50 percent shall be reserved for funding*  
2        *Small Business Investment Companies with private*  
3        *capital of less than \$20,000,000; except that during*  
4        *the last quarter of each fiscal year, the Administrator*  
5        *may, if he determines that there is a lack of qualified*  
6        *applicants with private capital under such amount,*  
7        *utilize all or any part of the securities so reserved.”.*

8        ***SEC. 213. REPORT ON SBIC PROGRAM.***

9        *The Small Business Administration shall provide the*  
10       *Committee on Small Business of the House of Representa-*  
11       *tives and Senate with a comprehensive report on the status*  
12       *and disposition of all Small Business Investment Compa-*  
13       *nies, active or in liquidation, and a complete accounting*  
14       *of the assets in and the basis of their portfolios, the projected*  
15       *and actual loss rates for all portfolios in liquidation or ac-*  
16       *tive, and a detailed accounting of valuation of the SBIC*  
17       *program’s investments. This report shall be delivered to the*  
18       *respective Committees on Small Business no later than*  
19       *April 15, 1995.*

1 ***TITLE III—SIZE STANDARDS AND***  
 2 ***BOND GUARANTEES***

3 ***SEC. 301. COMPETITIVE DEMONSTRATION PROJECT SIZE***  
 4 ***STANDARDS.***

5 *Section 732 of the Business Opportunity Development*  
 6 *Reform Act of 1988 (Public Law 100–656) is amended by*  
 7 *repealing the second sentence of such section.*

8 ***SEC. 302. SIZE STANDARD CRITERIA.***

9 *Section 3(a)(2) of the Small Business Act (15 U.S.C.*  
 10 *632(a)(2)) is amended to read as follows:*

11 *“(2) In addition to the criteria specified in paragraph*  
 12 *(1), the Administrator may specify detailed definitions or*  
 13 *standards by which a business concern may be determined*  
 14 *to be a small business concern for the purposes of this Act*  
 15 *or any other Act. Such standards may utilize number of*  
 16 *employees, dollar volume of business, net worth, net income,*  
 17 *or a combination thereof. Unless specifically authorized by*  
 18 *statute, no Federal department or agency may prescribe a*  
 19 *size standard for categorizing a business concern as a small*  
 20 *business concern, unless such proposed size standard—*

21 *“(A) is being proposed after an opportunity for*  
 22 *public notice and comment;*

23 *“(B) provides for determining—*

24 *“(i) the size of a manufacturing concern as*  
 25 *measured by its average employment based upon*

1       employment during each of the concern's pay pe-  
 2       riods for the preceding twelve calendar months;

3       “(ii) the size of a concern providing services  
 4       on the basis of the annual average gross receipts  
 5       of the concern over a period of not less than 3  
 6       years; and

7       “(iii) the size of other concerns on the basis  
 8       of data over a period of not less than 3 years;  
 9       and

10       “(C) is approved by the Administrator if it is  
 11       not being proposed by the Small Business Adminis-  
 12       tration.”.

13   **SEC. 303. SUNSET ON PREFERRED SURETY BOND GUARAN-**  
 14       **TEE PROGRAM.**

15       Section 207 of the Small Business Administration Re-  
 16       authorization and Amendment Act of 1988 (Public Law  
 17       100-590) is amended by striking “September 30, 1994” and  
 18       by inserting in lieu thereof “September 30, 1997”.

19   **SEC. 304. VERY SMALL BUSINESS CONCERNS.**

20       The Small Business Act (15 U.S.C. 631 et seq.) is  
 21       amended by redesignating section 30 as section 41 and by  
 22       inserting after section 29, as redesignated by section 606  
 23       of this Act, the following:

1 **“SEC. 30. PILOT PROGRAM FOR VERY SMALL BUSINESS**  
2 **CONCERNS.**

3 “(a) *ESTABLISHMENT.*—The Administration shall es-  
4 *tablish and carry out a pilot program in accordance with*  
5 *the requirements of this section to provide procurement op-*  
6 *portunities to very small business concerns.*

7 “(b) *SUBCONTRACTING OF PROCUREMENT CON-*  
8 *TRACTS.*—

9 “(1) *IN GENERAL.*—In carrying out the pro-  
10 *gram, the Administration is authorized to enter into*  
11 *procurement contracts with the United States Govern-*  
12 *ment and to arrange for the performance of such con-*  
13 *tracts through the award of subcontracts to very small*  
14 *business concerns.*

15 “(2) *TERMS AND CONDITIONS.*—The authority of  
16 *the Administration under paragraph (1) shall be sub-*  
17 *ject to the same terms and conditions as apply to the*  
18 *authority of the Administration under section 8(a),*  
19 *except that—*

20 “(A) *the Administration may make such*  
21 *modifications to such terms and conditions as*  
22 *the Administration determines necessary; and*

23 “(B) *all contract opportunities offered for*  
24 *award under the program shall be awarded on*  
25 *the basis of competition restricted to eligible pro-*  
26 *gram participants.*

1       “(c) *PROGRAM PARTICIPATION.*—Very small business  
2   concerns participating in the program shall be subject to  
3   the same terms and conditions for program participation  
4   as apply to program participants under sections 7(j) and  
5   8(a); except that—

6               “(1) the Administration may make such modi-  
7       fications to such terms and conditions as the Admin-  
8       istration determines necessary; and

9               “(2) eligibility shall be determined on the basis  
10     of qualifying as a very small business concern as de-  
11     fined in subsection (g), in lieu of the requirements  
12     contained in paragraphs (4), (5), and (6) of section  
13     8(a).

14       “(d) *TECHNICAL AND FINANCIAL ASSISTANCE.*—In  
15   order to assist very small business concerns participating  
16   in the program, the Administration is authorized—

17               “(1) to provide technical assistance to such con-  
18       cerns in the same manner and to the same extent as  
19       technical assistance is provided to small business con-  
20       cerns pursuant to section 7(j); and

21               “(2) to provide pre-authorization to such con-  
22       cerns for the purpose of receiving financial assistance  
23       under section 7(a).



1       “(e) *PROGRAM TERM.*—*The Administration shall*  
 2 *carry out the program in each of fiscal years 1995, 1996,*  
 3 *and 1997.*

4       “(f) *REPORT TO CONGRESS.*—*On or before December*  
 5 *31, 1996, the Administration shall transmit to Congress a*  
 6 *report containing an analysis of the results of the program,*  
 7 *together with recommendations for appropriate legislative*  
 8 *and administrative actions.*

9       “(g) *DEFINITIONS.*—*For the purposes of this section,*  
 10 *the following definitions apply:*

11               “(1) *PROGRAM.*—*The term ‘program’ means the*  
 12 *program established pursuant to subsection (a).*

13               “(2) *VERY SMALL BUSINESS CONCERN.*—*The*  
 14 *term ‘very small business concern’ means a small*  
 15 *business concern that—*

16                       “(A) *has 10 employees or less; or*

17                       “(B) *has average annual receipts that total*  
 18 *\$1,000,000 or less.’’.*

## 19                       ***TITLE IV—MANAGEMENT*** 20                       ***ASSISTANCE***

### 21       ***SEC. 401. SUNSET ON COSPONSORED TRAINING.***

22       (a) *The authority of the Small Business Administra-*  
 23 *tion to cosponsor training as authorized by section 5(a) of*  
 24 *the Small Business Computer Security and Education Act*

1 *of 1984 (15 U.S.C. 633 note) is hereby repealed September*  
2 *30, 1997.*

3 *(b) Section 7(b) of the Small Business Computer Secu-*  
4 *rity and Education Act of 1984 (15 U.S.C. 633 note) is*  
5 *amended by striking the second sentence.*

6 **SEC. 402. SMALL BUSINESS DEVELOPMENT CENTER PRO-**  
7 **GRAM LEVEL.**

8 *Section 21(a)(4) of the Small Business Act (15 U.S.C.*  
9 *648(a)(4)) is amended to read as follows:*

10 *“(4) The Administration shall require as a condition*  
11 *of any grant (or amendment or modification thereof) made*  
12 *to an applicant under this section, that a matching amount*  
13 *(excluding any fees collected from recipients of such assist-*  
14 *ance) equal to the amount of such grant be provided from*  
15 *sources other than the Federal Government, to be comprised*  
16 *of not less than 50 per centum cash and not more than*  
17 *50 per centum of indirect costs and in-kind contributions:*  
18 *Provided, That this matching amount shall not include any*  
19 *indirect costs or in-kind contributions derived from any*  
20 *Federal program: Provided further, That no recipient of*  
21 *funds under this section shall receive a grant which would*  
22 *exceed its pro rata share of a national program based upon*  
23 *the population to be served by the Small Business Develop-*  
24 *ment Center as compared to the total population in the*  
25 *United States, plus \$125,000, or \$200,000, whichever is*

1 greater, per year. The amount of the national program shall  
2 be—

3 “(A) \$70,000,000 through September 30, 1995;

4 “(B) \$77,500,000 from October 1, 1995 through  
5 September 30, 1996; and

6 “(C) \$85,000,000 beginning October 1, 1996.

7 The amount of eligibility of each Small Business Develop-  
8 ment Center shall be based upon the amount of the national  
9 program in effect as of the date for commencement of per-  
10 formance of the Center’s grant.”.

11 **SEC. 403. FEDERAL CONTRACTS WITH SMALL BUSINESS DE-**  
12 **VELOPMENT CENTERS.**

13 (a) Section 21(a)(5) of the Small Business Act (15  
14 U.S.C. 648(a)(5)) is amended to read as follows:

15 “(5) A Small Business Development Center may enter  
16 a contract with a Federal department or agency to provide  
17 specific assistance to small business concerns if the contract  
18 is approved in advance by the Deputy Associate Adminis-  
19 trator of the Small Business Development Center program.  
20 Approval shall be based upon a determination that the con-  
21 tract will provide assistance to small business concerns and  
22 that its performance will not hinder the Center in carrying  
23 out the terms of its grant from the Administration. The  
24 amount of any such contract shall not be subject to the  
25 matching funds requirements of paragraph (4) nor shall the

1 *amount of eligibility under such paragraph: Provided, That*  
 2 *notwithstanding any other provision of law, such contracts*  
 3 *for assistance to small business concerns shall not be count-*  
 4 *ed toward any Federal department or agency's small busi-*  
 5 *ness, women-owned business, or socially and economically*  
 6 *disadvantaged business contracting goal as established by*  
 7 *section 15(g) of the Small Business Act (15 U.S.C.*  
 8 *644(g)).''.*

9 *(b) Section 21(a)(6) of the Small Business Act (15*  
 10 *U.S.C. 648(a)(6)) is amended by striking "paragraphs (4*  
 11 *and (5))" and by inserting in lieu thereof "paragraph (4)".*

12 **SEC. 404. CENTRAL EUROPEAN SMALL BUSINESS DEVELOP-**  
 13 **MENT.**

14 *Section 25(i) of the Small Business Act (15 U.S.C.*  
 15 *652(i)) is amended by striking "and \$2,000,000 for each*  
 16 *of fiscal years 1993 and 1994" and by inserting in lieu*  
 17 *thereof ", \$2,000,000 for each of fiscal years 1993 and 1994,*  
 18 *and \$1,000,000 for fiscal year 1995".*

19 **SEC. 405. MOBILE RESOURCE CENTER PILOT PROGRAM.**

20 *(a) ESTABLISHMENT.—The Administrator of the*  
 21 *Small Business Administration may establish and carry*  
 22 *out in each of fiscal years 1995, 1996, and 1997 a mobile*  
 23 *resource pilot program (in this section referred to as the*  
 24 *"program" in accordance with the requirements of this sec-*  
 25 *tion.*

1       (b) *MOBILE RESOURCE CENTER VEHICLES.*—Under  
 2   the program, the Administration may use mobile resource  
 3   center vehicles to provide technical assistance, information,  
 4   and other services available from the Small Business Ad-  
 5   ministration to traditionally underserved populations. Two  
 6   of such vehicles should be utilized in rural areas and 2 of  
 7   such vehicles should be utilized in urban areas.

8       (c) *REPORT TO CONGRESS.*—If the Administrator con-  
 9   ducts the program authorized in this section, not later than  
 10   December 31, 1996, he shall transmit to Congress a report  
 11   containing the results of such program, together with rec-  
 12   ommendations for appropriate legislative and administra-  
 13   tive actions.

14       (d) *AUTHORIZATION OF APPROPRIATIONS.*—There is  
 15   authorized to be appropriated for fiscal year 1995 \$900,000  
 16   to carry out this section. Of such sums—

17               (1) \$800,000 may be made available for the pur-  
 18               chase or lease of mobile resource center vehicles; and

19               (2) \$100,000 may be made available for studies,  
 20               startup expenses, and other administrative expenses.

21   Such sums shall remain available until expended.

1 ***TITLE V—RELIEF FROM FFB DE-***  
 2 ***BENTURE PREPAYMENT PEN-***  
 3 ***ALTIES***

4 ***SEC. 501. CITATION.***

5 *This title may be cited as the “Small Business Prepay-*  
 6 *ment Penalty Relief Act of 1994.”.*

7 ***SEC. 502. MODIFICATION OF DEVELOPMENT COMPANY DE-***  
 8 ***BENTURE INTEREST RATES.***

9 *(a) IN GENERAL.—Upon the request of the issuer and*  
 10 *the concurrence of the borrower, the Small Business Admin-*  
 11 *istration is authorized to transfer to the Federal Financing*  
 12 *Bank such sums as may be necessary to carry out the provi-*  
 13 *sions of this section in order to reduce the interest rate on*  
 14 *a debenture issued by a certified development company. The*  
 15 *reduction shall be effective January 2, 1995 and shall apply*  
 16 *for the remainder of the term of the debenture.*

17 *(b) INTEREST RATE MODIFICATION.—Upon receipt of*  
 18 *such payment, the Federal Financing Bank shall modify*  
 19 *the interest rate of each debenture for which the payment*  
 20 *is made. No other change shall be made in the terms and*  
 21 *conditions of the debenture, and the modification in the in-*  
 22 *terest rate shall not be construed as a new direct loan or*  
 23 *a new loan guarantee.*

24 *(c) DEFINITIONS.—For the purposes of this section—*

1           (1) the term “issuer” means the issuer of a de-  
 2           benture pursuant to section 503 of the Small Business  
 3           Investment Act of 1958 which has been purchased by  
 4           the Federal Financing Bank if the debenture is out-  
 5           standing on the date of enactment of this Act, and  
 6           neither the loan that secures the debenture nor the de-  
 7           benture is in default on such date; and

8           (2) the term “borrower” means the small busi-  
 9           ness concern whose loan secures a debenture issued  
 10          pursuant to such section.

11          (d) *OTHER RIGHTS.*—A modification of the interest  
 12          rate on a debenture as authorized in this section shall not  
 13          affect any rights or options of the issuer or borrower which  
 14          are otherwise authorized by contract or by law.

15          (e) *REFINANCING.*—Debentures authorized by sections  
 16          504 and 505 of the Small Business Investment Act of 1958  
 17          may be used to refinance debentures issued under section  
 18          503 of such Act if the amount of the new financing is lim-  
 19          ited to such amounts as are needed to repay the existing  
 20          debenture, including any prepayment penalty imposed by  
 21          the Federal Financing Bank. Any such refinancing shall  
 22          be subject to all of the other provisions of sections 504 and  
 23          505 of such Act and the rules and regulations of the Admin-  
 24          istration promulgated thereunder, including, but not lim-  
 25          ited to, rules and regulations governing payment of author-

1 ized expenses and commissions, fees and discounts to brokers  
 2 and dealers in trust certificates issued pursuant to section  
 3 505: Provided, however, That no applicant for refinancing  
 4 under section 504 of this Act need demonstrate that the req-  
 5 uisite number of jobs will be created or preserved with the  
 6 proceeds of such refinancing: Provided further, That a de-  
 7 velopment company which provides refinancing under this  
 8 subsection shall be limited to a loan processing fee not to  
 9 exceed one-half of one percent to cover the cost of packaging,  
 10 processing and other nonlegal staff functions.

11 **SEC. 503. MODIFICATION OF SMALL BUSINESS INVESTMENT**  
 12 **COMPANY DEBENTURE INTEREST RATES.**

13 (a) *IN GENERAL.*—Upon the request of the issuer, the  
 14 Small Business Administration is authorized to transfer to  
 15 the Federal Financing Bank such sums as may be necessary  
 16 to carry out the provisions of this section in order to reduce  
 17 the interest rate on a debenture issued by a Small Business  
 18 Investment Company under the provisions of title III of the  
 19 Small Business Investment Act of 1958. The reduction shall  
 20 be effective January 2, 1995 and shall apply for the remain-  
 21 der of the term of the debenture.

22 (b) *INTEREST RATE MODIFICATION.*—Upon receipt of  
 23 such payment, the Federal Financing Bank shall modify  
 24 the interest rate of each debenture for which the payment  
 25 is made. No other change shall be made in the terms and



1 *conditions of the debenture, and the modification in the in-*  
 2 *terest rate shall not be construed as a new direct loan or*  
 3 *a new loan guarantee.*

4 (c) *DEFINITIONS.*—*For the purposes of this section, the*  
 5 *term “issuer” means the issuer of a debenture pursuant to*  
 6 *section 303 of the Small Business Investment Act of 1958*  
 7 *which has been purchased by the Federal Financing Bank*  
 8 *if the debenture is outstanding on the date of enactment*  
 9 *of this Act, and is not in default on such date.*

10 (d) *OTHER RIGHTS.*—*A modification of the interest*  
 11 *rate on a debenture as authorized in this section shall not*  
 12 *affect any rights or options of the issuer which are otherwise*  
 13 *authorized by contract or by law.*

14 **SEC. 504. MODIFICATION OF SPECIALIZED SMALL BUSINESS**

15 **INVESTMENT COMPANY DEBENTURE INTER-**  
 16 **EST RATES.**

17 (a) *INTEREST RATE MODIFICATION.*—*Upon the re-*  
 18 *quest of the issuer, the Small Business Administration is*  
 19 *authorized to modify the interest rate on a debenture issued*  
 20 *by a Small Business Investment Company licensed under*  
 21 *the provisions of section 301(d) of the Small Business In-*  
 22 *vestment Act of 1958 and which is held by the Administra-*  
 23 *tion. No debenture which has been sold to a third party*  
 24 *shall be eligible for modification under this section. The re-*  
 25 *duction shall be effective January 2, 1995 and shall apply*

1 *for the remainder of the term of the debenture. No other*  
 2 *change shall be made in the terms and conditions of the*  
 3 *debenture, and the modification in the interest rate shall*  
 4 *not be construed as a new direct loan or a new loan guaran-*  
 5 *tee.*

6 (b) *DEFINITIONS.*—*For the purposes of this section, the*  
 7 *term “issuer” means a Specialized Small Business Invest-*  
 8 *ment Company licensed under the provisions of section*  
 9 *301(d) of the Small Business Investment Act of 1958 which*  
 10 *has issued a debenture which has been funded by the Small*  
 11 *Business Administration, providing the debenture is out-*  
 12 *standing on the date of enactment of this Act and is not*  
 13 *in default on such date.*

14 (c) *OTHER RIGHTS.*—*A modification of the interest*  
 15 *rate on a debenture as authorized in this section shall not*  
 16 *affect any rights or options of the issuer which are otherwise*  
 17 *authorized by contract or by law.*

18 **SEC. 505. INTEREST RATE REDUCTIONS.**

19 (a) *IN GENERAL.*—*Upon enactment of an Appropria-*  
 20 *tions Act providing funds to carry out the provisions of this*  
 21 *Act and limited to amounts specifically provided in ad-*  
 22 *vance in Appropriations Acts, the Small Business Adminis-*  
 23 *tration shall evaluate the outstanding portfolio of deben-*  
 24 *tures which are eligible for interest rate relief under this*  
 25 *Act. The Administration shall apply the funds appro-*

1 *priated to carry out this Act in order to reduce the highest*  
 2 *interest rate on all eligible debentures to a uniform rate.*

3 *(b) AUTHORIZATION.—There are authorized to be ap-*  
 4 *propriated \$30 million to carry out the provisions of this*  
 5 *Act in fiscal year 1995.*

## 6 **TITLE VI—DEVELOPMENT OF** 7 **WOMEN-OWNED BUSINESSES**

### 8 **SEC. 601. STATUS OF COUNCIL.**

9 *Section 401 of the Women’s Business Ownership Act*  
 10 *of 1988 (15 U.S.C. 631 note) is redesignated as section 405*  
 11 *of such Act and, as redesignated, is amended—*

12 *(1) in the heading by inserting “**OF THE***  
 13 ***COUNCIL**” after “**ESTABLISHMENT**”; and*

14 *(2) by striking the period at the end and insert-*  
 15 *ing the following: “which shall serve as an independ-*  
 16 *ent advisory council to the Interagency Committee on*  
 17 *Women’s Business Enterprise, to the Administrator of*  
 18 *the Small Business Administration, and to the Con-*  
 19 *gress of the United States. The Council, in order to*  
 20 *carry out its function as an independent advisory*  
 21 *council to the Congress, is authorized and directed to*  
 22 *report independently of the Interagency Committee*  
 23 *directly to the Congress at such times and on such*  
 24 *matters as it, in its discretion, deems appropriate.”.*

1 **SEC. 602. DUTIES OF NATIONAL WOMEN'S BUSINESS COUN-**  
 2 **CIL.**

3 *Section 402 of the Women's Business Ownership Act*  
 4 *of 1988 (15 U.S.C. 631 note) is redesignated as section 406*  
 5 *of such Act and, as redesignated, is amended to read as*  
 6 *follows:*

7 **"SEC. 406. DUTIES OF THE COUNCIL.**

8 *"The Council shall meet at such times as it determines*  
 9 *necessary in order to advise and consult with the Inter-*  
 10 *agency Committee on Women's Business Enterprise on mat-*  
 11 *ters relating to the activities, functions, and policies of such*  
 12 *Committee as provided in this title. The Council shall make*  
 13 *annual recommendations for consideration by the Commit-*  
 14 *tee. The Council also shall provide reports and make such*  
 15 *other recommendations as it deems appropriate to the Com-*  
 16 *mittee, to the Administrator of the Small Business Admin-*  
 17 *istration, and to the Small Business Committee of the Unit-*  
 18 *ed States Senate and to the Small Business Committee of*  
 19 *the United States House of Representatives."*

20 **SEC. 603. MEMBERSHIP OF THE COUNCIL.**

21 *Section 403 of the Women's Business Ownership Act*  
 22 *of 1988 (15 U.S.C. 631 note) is redesignated as section 407*  
 23 *of such Act, and, as redesignated, is amended to read as*  
 24 *follows:*

1   ***“SEC. 407. MEMBERSHIP OF THE COUNCIL.***

2           *“(a) The Council shall be composed of 15 members who*  
3 *shall be appointed by the Administrator of the Small Busi-*  
4 *ness Administration and who shall serve at the Administra-*  
5 *tor’s discretion. In making the appointments, the Adminis-*  
6 *trator shall include racial, geographic and economic diver-*  
7 *sity, and representation from diverse sectors of the economy,*  
8 *including manufacturing, high technology, services and*  
9 *credit institutions, and shall give priority to include rep-*  
10 *resentation of major women’s business organizations.*

11          *“(b) Only the owner, operator or employee of a*  
12 *woman-owned business shall be eligible for appointment,*  
13 *and not more than eight appointees shall be members of*  
14 *the same political party. If any member of the Council sub-*  
15 *sequently becomes an officer or employee of the Federal Gov-*  
16 *ernment or of the Congress, such individual may continue*  
17 *as a member of the Council for not longer than the thirty-*  
18 *day period beginning on the date such individual becomes*  
19 *such an officer or employee.*

20          *“(c) The Council annually shall select one member to*  
21 *serve as its Chairperson. The Chairperson of the Council,*  
22 *or her designee, shall be the representative of the Council*  
23 *to all meetings of the Interagency Committee on Women’s*  
24 *Business Enterprise.*

1       “(d) The Council shall meet not less than four times  
2 per year. Meetings shall be at the call of the Chairperson  
3 at such times as she deems appropriate.

4       “(e) Members of the Council shall serve without pay  
5 for such membership, except they shall be entitled to reim-  
6 bursement for travel, subsistence, and other necessary ex-  
7 penses incurred by them in carrying out the functions of  
8 the Council, in the same manner as persons serving on ad-  
9 visory boards pursuant to section 8(b) of the Small Business  
10 Act.”.

11 **SEC. 604. INTERAGENCY COMMITTEE.**

12       Title IV of the Women’s Business Ownership Act of  
13 1988 (15 U.S.C. 631 note) is amended by striking section  
14 404 and by inserting the following new sections prior to  
15 section 405 as redesignated by section 601 of this Act:

16 **“SEC. 401. ESTABLISHMENT OF THE COMMITTEE.**

17       “There is established an Interagency Committee to be  
18 known as the ‘Interagency Committee on Women’s Business  
19 Enterprise’ (hereinafter in this title referred to as the Com-  
20 mittee).

21 **“SEC. 402. DUTIES OF THE COMMITTEE.**

22       “The Committee shall—

23               “(1) promote, coordinate and monitor the plans,  
24 programs and operations of the departments and  
25 agencies of the Federal Government which may con-

1       *tribute to the establishment, preservation and*  
2       *strengthening of women's business enterprise. It may,*  
3       *as appropriate, develop comprehensive interagency*  
4       *plans and specific program goals for women's busi-*  
5       *ness enterprise with the cooperation of Federal de-*  
6       *partments and agencies;*

7               *“(2) promote the better utilization of the activi-*  
8       *ties and resources of State and local governments,*  
9       *business and trade associations, private industry, col-*  
10       *leges and universities, foundations, professional orga-*  
11       *nizations, and volunteer and women's business enter-*  
12       *prise, and facilitate the coordination of the efforts of*  
13       *these groups with those of Federal departments and*  
14       *agencies;*

15               *“(3) consult with the Council to develop and pro-*  
16       *mote new initiatives designed to foster women's busi-*  
17       *ness enterprise, and to develop policies, programs,*  
18       *and plans intended to promote such development;*

19               *“(4) consider the Council's recommendations and*  
20       *public and private sector studies of the problems of*  
21       *women entrepreneurs, and promote further research*  
22       *into such problems; and*

23               *“(5) design a comprehensive plan for a joint*  
24       *public-private sector effort to facilitate the develop-*  
25       *ment and growth of women-owned businesses. The*

1        *Committee should submit the plan to the President for*  
2        *review within six months of the effective date of this*  
3        *Act.*

4        ***“SEC. 403. MEMBERSHIP OF THE COMMITTEE.***

5        *“(a) The Committee shall be composed of representa-*  
6        *tives of the following departments and agencies: The De-*  
7        *partments of Agriculture, Commerce, Defense, Energy,*  
8        *Health and Human Services, Education, Housing and*  
9        *Urban Development, Interior, Justice, Labor, Transpor-*  
10       *tation, Treasury, the Federal Trade Commission, General*  
11       *Services Administration, National Science Foundation, Of-*  
12       *fice of Federal Procurement Policy, and the Director of the*  
13       *Office of Women’s Business Ownership of the Small Busi-*  
14       *ness Administration, who shall serve as Vice Chairperson*  
15       *of the Committee. The head of each such department and*  
16       *agency shall designate a representative who shall be a policy*  
17       *making official within the department or agency.*

18       *“(b) The Committee shall have a Chairperson ap-*  
19       *pointed by the President, after consultation with the Ad-*  
20       *ministrator of the Small Business Administration and the*  
21       *Chief Counsel for Advocacy of the Small Business Adminis-*  
22       *tration. The Chairperson shall be the head of a Federal de-*  
23       *partment or agency. If the Chairperson is the head of one*  
24       *of the departments or agencies enumerated in subsection*



1 (a), he or she shall also serve as the representative of such  
2 department or agency.

3 “(c) The Committee shall meet not less than four times  
4 per year. Meetings shall be at the call of the Chairperson  
5 at such times as he or she deems appropriate.

6 “(d) The members of the Committee shall serve without  
7 additional pay for such membership.

8 “(e) The Chairperson of the Committee may designate  
9 a Director of the Committee, after consultation with the Ad-  
10 ministrator of the Small Business Administration and the  
11 Chief Counsel for Advocacy of the Small Business Adminis-  
12 tration.

13 “(f) The Chief Counsel for Advocacy is authorized to  
14 appoint to his staff under the provisions of section 204 of  
15 Public Law 94–305 (15 U.S.C. 634(d)) the person so des-  
16 ignated under subsection (e). He or she is also authorized  
17 to provide additional staff and administrative support for  
18 the Committee.

19 “(g) The Director of the Office of Women’s Business  
20 Ownership of the Small Business Administration is author-  
21 ized to provide additional staff and administrative support  
22 for the Committee.

23 **“SEC. 404. REPORTS FROM THE COMMITTEE.**

24 “The Committee shall transmit to the President and  
25 to the Small Business Committee of the United States Sen-

1 ate and to the Small Business Committee of the United  
 2 States House of Representatives a report no less than once  
 3 in every twelve-month period. The first such report shall  
 4 be submitted no later than March 31, 1995. Such reports  
 5 shall contain any recommendations from the Council and  
 6 any comments of the Committee thereon, a detailed state-  
 7 ment on the activities of the Committee, the findings and  
 8 conclusions of the Committee, together with its rec-  
 9 ommendations for such legislation and administrative ac-  
 10 tions as it considers appropriate to promote the develop-  
 11 ment of small business concerns owned and controlled by  
 12 women.”.

13 **SEC. 605. REPEALER.**

14 Sections 404 through 407 of the Women’s Business  
 15 Ownership Act of 1988, as in effect on the day before the  
 16 date of the enactment of this Act, are repealed and the fol-  
 17 lowing new section is added at the end of title IV of such  
 18 Act:

19 **“SEC. 408. DEFINITIONS.**

20 “For the purposes of this Act, the term—

21 “(1) ‘woman-owned business’ shall mean a small  
 22 business which is at least 51 percent owned by a  
 23 woman or women who also control and operate it;

24 “(2) ‘control’ shall mean exercising the power to  
 25 make policy decisions;

1           “(3) ‘operate’ shall mean being actively involved  
2           in the day-to-day management; and

3           “(4) ‘women’s business enterprise’ shall mean a  
4           woman-owned business or businesses or the efforts of  
5           a woman or women to establish, maintain, or develop  
6           such a business or businesses.”.

7   **SEC. 606. EXTENSION OF AUTHORITY FOR DEMONSTRATION**  
8                           **PROJECTS.**

9           Section 28 of the Small Business Act, as added by sec-  
10          tion 2 of Public Law 102–191, is redesignated as section  
11          29 and, as so redesignated, is amended by striking from  
12          subsection (g) “1995” and by inserting “1997”.

13   **SEC. 607. ESTABLISHMENT OF OFFICE OF WOMEN’S BUSI-**  
14                           **NESS OWNERSHIP.**

15          Section 29 of the Small Business Act, as redesignated  
16          by section 606 of this Act, is amended by adding the follow-  
17          ing new subsection at the end:

18          “(h) There is established within the Administration an  
19          Office of Women’s Business Ownership, which shall be re-  
20          sponsible for the administration of the Administration’s  
21          programs for the development of women’s business enter-  
22          prises as defined in section 408 of the Women’s Business  
23          Ownership Act of 1988. The Office shall be headed by a  
24          director who shall be appointed by the Administrator.”.

1 **SEC. 608. TECHNICAL AND CONFORMING AMENDMENTS.**

2 (a) *Title IV of the table of contents of the Women's*  
 3 *Business Ownership Act of 1988 (15 U.S.C. 631 note) is*  
 4 *amended to read as follows:*

*"TITLE IV—DEVELOPMENT OF WOMEN'S BUSINESS ENTERPRISE*

*"Sec. 401. Establishment of the Committee.*

*"Sec. 402. Duties of the Committee.*

*"Sec. 403. Membership of the Committee.*

*"Sec. 404. Reports from the Committee.*

*"Sec. 405. Establishment of the Council.*

*"Sec. 406. Duties of the Council.*

*"Sec. 407. Membership of the Council.*

*"Sec. 408. Definitions.".*

5 (b) *The heading to title IV of the Women's Business*  
 6 *Ownership Act of 1988 (15 U.S.C. 631 note) is amended*  
 7 *to read as follows:*

8 **"TITLE IV—DEVELOPMENT OF WOMEN'S**  
 9 **BUSINESS ENTERPRISES".**

10 **SEC. 609. AUTHORIZATION.**

11 *There is authorized to be appropriated \$200,000 in*  
 12 *each of fiscal years 1995 through 1997 to carry out the pro-*  
 13 *visions of title IV of the Women's Business Ownership Act*  
 14 *of 1988 (15 U.S.C. 631 note).*

15 **TITLE VII—MISCELLANEOUS**  
 16 **AMENDMENTS**

17 **SEC. 701. HANDICAPPED PARTICIPATION IN SMALL BUSI-**  
 18 **NESS SET ASIDE CONTRACTS.**

19 *Section 15(c) of the Small Business Act (15 U.S.C.*  
 20 *644(c)) is amended—*

1           (1) by amending paragraph (2)(A) to read as  
2       *follows:*

3           “(2)(A) During each fiscal year, public or private or-  
4       ganizations for the handicapped shall be eligible to partici-  
5       pate in programs authorized under this section in an aggre-  
6       gate amount not to exceed \$50,000,000.”; and

7           (2) by adding the following new paragraph at  
8       the end thereof:

9           “(7) Any contract awarded to such an organization  
10      pursuant to the provisions of this subsection may be ex-  
11      tended for up to two additional years.”.

12   **SEC. 702. SBA INTEREST PAYMENTS TO TREASURY.**

13       Section 4(c)(5)(B)(ii) of the Small Business Act (15  
14   U.S.C. 633(c)(5)(B)(ii)) is amended to read as follows:

15       “(ii) The Administration shall pay into the mis-  
16      cellaneous receipts of the Treasury following the close of  
17      each fiscal year the actual interest it collects during that  
18      fiscal year on all financings made under the authority of  
19      this Act.”.

20   **SEC. 703. IMPOSITION OF FEES.**

21       Section 5(b) of the Small Business Act (15 U.S.C.  
22   634(b)) is amended—

23           (1) in paragraph (10) by striking “and” at the  
24      end;

1           (2) in paragraph (11) by striking the period at  
2           the end and inserting a semicolon; and

3           (3) by adding the following new paragraphs at  
4           the end:

5           “(12) impose, retain and use only those fees  
6           which are specifically authorized by law or which are  
7           in effect on September 30, 1994, and in the amounts  
8           and at the rates in effect on such date. The adminis-  
9           trator is authorized to impose, retain and utilize, sub-  
10          ject to approval in appropriations Acts, the following  
11          additional fees—

12                 “(A) not to exceed \$100 for each loan servic-  
13                 ing action requested after disbursement of the  
14                 loan, including substitution of collateral, loan  
15                 assumptions, release or substitution of guaran-  
16                 tors, reamortizations or similar actions;

17                 “(B) to recover the direct, incremental cost  
18                 involved in the production and dissemination of  
19                 compilations of information produced by the Ad-  
20                 ministration under the authority of the Small  
21                 Business Act and the Small Business Investment  
22                 Act of 1958; and

23           “(13) to collect, retain and utilize, subject to ap-  
24           proval in appropriations Acts, any amounts collected  
25           by fiscal transfer agents and not used by such agent

1     *as payment of the cost of loan pooling or debenture*  
 2     *servicing operations: Provided, That any monies so*  
 3     *collected shall be utilized solely to facilitate the ad-*  
 4     *ministration of the program which generated the ex-*  
 5     *cess monies.”.*

6     **SEC. 704. SBIR VENDORS.**

7     *Section 9(q)(2) of the Small Business Act (15 U.S.C.*  
 8     *638(q)(2)) is amended to read as follows:*

9             *“(2) VENDOR SELECTION.—Each agency may se-*  
 10     *lect a vendor to assist small business concerns to meet*  
 11     *the goals listed in paragraph (1). Such selection shall*  
 12     *be competitive using merit-based criteria, for a term*  
 13     *not to exceed 3 years.”.*

14     **SEC. 705. MANUFACTURING CONTRACTS.**

15     *(a) ESTABLISHMENT OF PILOT PROGRAM.—Section 15*  
 16     *of the Small Business Act (15 U.S.C. 644) is amended by*  
 17     *adding at the end the following:*

18             *“(p) MANUFACTURING MODERNIZATION PILOT PRO-*  
 19     *GRAM.—*

20             *“(1) ESTABLISHMENT.—The Administrator may*  
 21     *establish and carry out a manufacturing moderniza-*  
 22     *tion pilot program (hereinafter in this section referred*  
 23     *to as the ‘program’) for the purpose of promoting the*  
 24     *award of Federal procurement contracts to small*  
 25     *business concerns that participate in manufacturing*

1     *application and education centers that are established*  
2     *or certified pursuant to paragraph (2).*

3             “(2) *MANUFACTURING APPLICATION AND EDU-*  
4     *CATION CENTERS.—The Administrator may establish*  
5     *manufacturing application and education centers*  
6     *which will provide training to small business con-*  
7     *cerns on new and innovative manufacturing practices*  
8     *in a shared-use production environment and which*  
9     *will assist such concerns in carrying out Federal pro-*  
10    *curement contracts for the manufacture of components*  
11    *and subsystems. The Administrator may also certify*  
12    *existing manufacturing application and education*  
13    *centers for participation in the program.*

14            “(3) *USE OF PRIVATE CENTERS AS EXAMPLES.—*  
15    *In establishing any manufacturing application and*  
16    *education centers pursuant to paragraph (2), the Ad-*  
17    *ministrator may use as examples manufacturing ap-*  
18    *plication and education centers in the private sector*  
19    *that provide the following services: technology dem-*  
20    *onstration, technology education, technology applica-*  
21    *tion support, technology advancement support, and*  
22    *technology awareness.*

23            “(4) *IDENTIFICATION OF CONTRACTS.—The Ad-*  
24    *ministrator and the head of a contracting agency*  
25    *may identify for additional small business set-asides*



1     *pursuant to subsection (a) any procurement, and in*  
 2     *particular any procurement which is being foreign-*  
 3     *sourced or is considered critical, which is susceptible*  
 4     *to performance by a small business concern if the con-*  
 5     *cern is assisted by a manufacturing application and*  
 6     *education center under the program. Any such pro-*  
 7     *curement shall be subject to the requirements of sub-*  
 8     *section (a), including requirements relating to any*  
 9     *failure of the Administrator and the head of the con-*  
 10    *tracting agency to agree on procurement methods.*

11         “(5) *NONAPPLICABILITY OF PERFORMANCE RE-*  
 12         *QUIREMENT.—The requirement of subsection (o)(1)(B)*  
 13         *shall not apply with respect to any contract carried*  
 14         *out by a small business concern under the program*  
 15         *with the assistance of a manufacturing application*  
 16         *and education center.*

17         “(6) *REGULATIONS.—Not later than 6 months*  
 18         *after the date of the enactment of this subsection, the*  
 19         *Administrator shall issue regulations to carry out this*  
 20         *subsection if he determines it appropriate to carry*  
 21         *out the program authorized by this subsection.*

22         “(7) *REPORTS.—*

23                 “(A) *PROGRESS REPORT.—Not later than 3*  
 24                 *months after the last day of the fiscal year in*  
 25                 *which final regulations are issued pursuant to*

1       *paragraph (6), the Administrator shall transmit*  
2       *to the Committees on Small Business of the*  
3       *House of Representatives and the Senate a report*  
4       *on the progress of the program.*

5               “(B) *FINAL REPORT.*—*If the Administrator*  
6       *establishes the program authorized herein, not*  
7       *later than March 31, 1999, he shall transmit to*  
8       *the Committees on Small Business of the House*  
9       *of Representatives and the Senate a report on the*  
10       *success of the program in—*

11               “(i) *enabling deployment of technology*  
12       *to small business concerns participating in*  
13       *the program, and*

14               “(ii) *assisting manufacturing applica-*  
15       *tion and education centers in achieving self-*  
16       *sufficiency,*

17       *together with recommendations concerning con-*  
18       *tinuation, modification, or discontinuance of the*  
19       *program.*

20               “(8) *PROGRAM TERM.*—*The Administrator may*  
21       *carry out the program during the period beginning*  
22       *on the date of issuance of final regulations under*  
23       *paragraph (5) and ending on September 30, 1999.*

1           “(9) *AUTHORIZATION OF APPROPRIATIONS.—*  
 2           *There are authorized to be appropriated such sums as*  
 3           *may be necessary to carry out this subsection.”.*

4   **SEC. 706. DENIAL OF USE OF FUNDS FOR INDIVIDUALS NOT**  
 5           **LAWFULLY WITHIN THE UNITED STATES.**

6           *The Small Business Act (15 U.S.C. 631 et seq.) is*  
 7           *amended by inserting after section 30, as added by section*  
 8           *304 of this Act, the following:*

9   **“SEC. 31. DENIAL OF USE OF FUNDS FOR INDIVIDUALS NOT**  
 10           **LAWFULLY WITHIN THE UNITED STATES.**

11           *“None of the funds made available pursuant to this*  
 12           *Act may be used to provide any direct benefit or assistance*  
 13           *to any individual in the United States when it is made*  
 14           *known to the Administrator of the Small Business Adminis-*  
 15           *tration or the official to which the funds are made available*  
 16           *that the individual is not lawfully within the United*  
 17           *States.”.*

18   **SEC. 707. OFFICE OF ADVOCACY EMPLOYEES.**

19           *Section 204 of Public Law 94–305 (15 U.S.C. 634d)*  
 20           *is amended as follows—*

21                   *(1) by striking “after consultation with and sub-*  
 22                   *ject to the approval of the Administrator,”; and*

23                   *(2) in paragraph (1) by striking “GS–15 of the*  
 24                   *General Schedule” and all that follows and inserting*  
 25                   *“GS–15 of the General Schedule: Provided, however,*

1       *That not more than 14 staff personnel at any one*  
2       *time may be employed and compensated at a rate in*  
3       *excess of GS-15, step 10, of the General Schedule;”.*

4   **SEC. 708. ADVOCACY STUDY OF PAPERWORK AND TAX IM-**  
5                   **PACT.**

6       *The Chief Counsel for Advocacy of the Small Business*  
7       *Administration shall conduct a study of the impact of all*  
8       *Federal regulatory paperwork and tax requirements upon*  
9       *small business and report its findings to the Congress with-*  
10      *in 1 year of the date of the enactment of this Act.*

11   **SEC. 709. CERTIFICATION OF COMPLIANCE WITH CHILD**  
12                   **SUPPORT OBLIGATIONS.**

13      *The Small Business Act (15 U.S.C. 631 et seq.) is*  
14      *amended by inserting after section 31, as added by section*  
15      *706 of this Act, the following:*

16   **“SEC. 32. CERTIFICATION OF COMPLIANCE WITH CHILD**  
17                   **SUPPORT OBLIGATIONS.**

18      *“Each applicant for financial assistance under this*  
19      *Act, including applicants for direct loans and loan guaran-*  
20      *tees, shall certify, as a condition for receiving such assist-*  
21      *ance, that the applicant is not in violation of the terms*  
22      *of any administrative order, court order, or repayment*  
23      *agreement entered into between the applicant and the custo-*  
24      *dial parent or the State agency providing child support en-*  
25      *forcement services which requires the applicant to pay child*

- 1 *support, as such term is defined by section 462(b) of the*
- 2 *Social Security Act.”.*

Amend the title so as to read: “An Act to amend the  
Small Business Act, and for other purposes.”.

Attest:

*Clerk.*

103<sup>RD</sup> CONGRESS  
2<sup>D</sup> SESSION

**S. 2060**

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**AMENDMENTS**